

SECOND REGULAR SESSION

# HOUSE BILL NO. 2524

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE RHOADS.

6413H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 367.031 as enacted by senate bill no. 491, ninety-seventh general assembly, second regular session, and section 367.031 as enacted by house bill no. 353, ninety-third general assembly, first regular session, and to enact in lieu thereof one new section relating to pawnbrokers, with a penalty provision.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 367.031 as enacted by senate bill no. 491, ninety-seventh general assembly, second regular session, and section 367.031 as enacted by house bill no. 353, ninety-third general assembly, first regular session, are repealed and one new section enacted in lieu thereof, to be known as section 367.031, to read as follows:

367.031. 1. At the time of making any secured personal credit loan, the lender shall execute and deliver to the borrower a receipt for and describing the tangible personal property subjected to the security interest to secure the payment of the loan. The receipt shall contain the following:

- (1) The name and address of the pawnshop;
- (2) The name and address of the pledgor, the pledgor's description, and the driver's license number, military identification number, identification certificate number, or other official number capable of identifying the pledgor;
- (3) The date of the transaction;
- (4) An identification and description of the pledged goods, including serial numbers if reasonably available;
- (5) The amount of cash advanced or credit extended to the pledgor;
- (6) The amount of the pawn service charge;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 (7) The total amount which must be paid to redeem the pledged goods on the maturity  
15 date;

16 (8) The maturity date of the pawn transaction; and

17 (9) A statement to the effect that the pledgor is not obligated to redeem the pledged  
18 goods, and that the pledged goods may be forfeited to the pawnbroker sixty days after the  
19 specified maturity date.

20 2. The pawnbroker may be required, in accordance with local ordinances, to furnish  
21 appropriate law enforcement authorities with copies of information contained in subdivisions (1)  
22 to (4) of subsection 1 of this section and information contained in subdivision (6) of subsection  
23 4 of section 367.040. The pawnbroker may satisfy such requirements by transmitting such  
24 information electronically to a database in accordance with this section, except that paper copies  
25 shall be made available for an on-site inspection upon request of any appropriate law  
26 enforcement authority.

27 3. As used in this section, the following terms mean:

28 (1) "Database", a computer database established and maintained by a third party engaged  
29 in the business of establishing and maintaining one or more databases;

30 (2) "Permitted user", persons authorized by law enforcement personnel to access the  
31 database;

32 (3) "Reportable data", the information required to be recorded by pawnbrokers for pawn  
33 transactions pursuant to subdivisions (1) to (4) of subsection 1 of this section and the information  
34 required to be recorded by pawnbrokers for purchase transactions pursuant to subdivision (6) of  
35 subsection 4 of section 367.040;

36 (4) "Reporting pawnbroker", a pawnbroker who chooses to transmit reportable data  
37 electronically to the database;

38 (5) "Search", the accessing of a single database record.

39 4. The database shall provide appropriate law enforcement officials with the information  
40 contained in subdivisions (1) to (4) of subsection 1 of this section and other useful information  
41 to facilitate the investigation of alleged property crimes while protecting the privacy rights of  
42 pawnbrokers and pawnshop customers with regard to their transactions.

43 5. The database shall contain the pawn and purchase transaction information recorded  
44 by reporting pawnbrokers pursuant to this section and section 367.040 and shall be updated as  
45 requested. The database shall also contain such security features and protections as may be  
46 necessary to ensure that the reportable data maintained in the database can only be accessed by  
47 permitted users in accordance with the provisions of this section.

48 6. The third party's charge for the database shall be based on the number of permitted  
49 users. Law enforcement agencies shall be charged directly for access to the database, and the

50 charge shall be reasonable in relation to the costs of the third party in establishing and  
51 maintaining the database. No reporting pawnbroker or customer of a reporting pawnbroker shall  
52 be charged any costs for the creation or utilization of the database.

53 7. (1) The information in the database shall only be accessible through the internet to  
54 permitted users who have provided a secure identification or access code to the database but shall  
55 allow such permitted users to access database information from any jurisdiction transmitting  
56 such information to that database. Such permitted users shall provide the database with an  
57 identifier number of a criminal action for which the identity of the pawn or purchase transaction  
58 customer is needed and a representation that the information is connected to an inquiry or to the  
59 investigation of a complaint or alleged crime involving goods delivered by that customer in that  
60 transaction. The database shall record, for each search, the identity of the permitted user, the  
61 pawn or purchase transaction involved in the search, and the identity of any customer accessed  
62 through the search. Each search record shall be made available to other permitted users  
63 regardless of their jurisdiction. The database shall enable reporting pawnbrokers to transmit to  
64 the database through the internet reportable data for each pawn and purchase transaction.

65 (2) Any person who gains access to information in the database through fraud or false  
66 pretenses shall be guilty of a class D felony.

67 8. Any pawnbroker licensed under section 367.043 shall meet the following  
68 requirements:

69 (1) Provide all reportable data to appropriate users by transmitting it through the internet  
70 to the database;

71 (2) Transmit all reportable data for one business day to the database prior to the end of  
72 the following business day;

73 (3) Make available for on-site inspection to any appropriate law enforcement official,  
74 upon request, paper copies of any pawn or purchase transaction documents.

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76 **Any pawnbroker licensed under section 367.043 who fails to comply with the provisions**  
77 **of this subsection is guilty of a class B misdemeanor and a class A misdemeanor for any**  
78 **subsequent offense.**

79 9. If a reporting pawnbroker or permitted user discovers any error in the reportable data,  
80 notice of such error shall be given to the database, which shall have a period of thirty days in  
81 which to correct the error. Any reporting pawnbroker experiencing a computer malfunction  
82 preventing the transmission of reportable data or receipt of search requests shall be allowed a  
83 period of at least thirty but no more than sixty days to repair such malfunction, and during such  
84 period such pawnbroker shall not be deemed to be in violation of this section if good faith efforts  
85 are made to correct the malfunction. During the periods specified in this subsection, the

86 reporting pawnbroker and permitted user shall arrange an alternative method or methods by  
87 which the reportable data shall be made available.

88 10. No reporting pawnbroker shall be obligated to incur any cost, other than internet  
89 service costs, in preparing, converting, or delivering its reportable data to the database.

90 11. If the pawn ticket is lost, destroyed, or stolen, the pledgor may so notify the  
91 pawnbroker in writing, and receipt of such notice shall invalidate such pawn ticket, if the pledged  
92 goods have not previously been redeemed. Before delivering the pledged goods or issuing a new  
93 pawn ticket, the pawnbroker shall require the pledgor to make a written affidavit of the loss,  
94 destruction or theft of the ticket. The pawnbroker shall record on the written statement the  
95 identifying information required, the date the statement is given, and the number of the pawn  
96 ticket lost, destroyed, or stolen. The affidavit shall be signed by a notary public appointed by the  
97 secretary of state pursuant to section 486.205 to perform notarial acts in this state.

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